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Herr Offermann has described well one of the most vicious features of our modern system of credit, and has given an excellent analysis of its operation. But the remedy still remains to be discovered.

DAVID KINLEY.

Das Zeitalter der Fugger: Geldkapital und Creditverkehr im 16. Jahrhundert. 1. Band: *Die Geldmächte des 16. Jahrhunderts*; 2. Band: *Die Weltbörsen und Finanzkrisen des 16. Jahrhunderts.* Von DR. RICHARD EHRENBURG. Jena: Gustav Fischer, 1896. 8vo. pp. xv + 420 and iv + 367.

It may not be out of place to mention here an earlier book by the same author: *Hamburg und England im Zeitalter der Königin Elisabeth.* Based on a study of the archives of Hanseatic towns and English state papers, it shows how the commercial and industrial supremacy in northern Europe went over to England.

The *Zeitalter der Fugger* may be viewed from two standpoints, the historical or the economic, as the author himself remarks in the preface to his extremely interesting and instructive work. As to his own conception of history, the author says (vol. i. p. iii):

I cannot fail to be called an adherent of the so-called "materialistic conception of history." If you mean by that a conception which denies the working of ideal motives in history, I feel entirely free from such a crude and manifestly incorrect conception. But if you mean by "materialistic" a conception which attributes to economic interests an exceedingly great significance for the development of mankind and which tries to fix scientifically this significance, I am, indeed, a "materialist."

Yet the author is not entirely free from contradicting himself when he separates political and economic history, in saying that whoever writes political history must confine himself essentially to an explanation of the external evolution of things from the qualities and intentions of the leading statesmen; as if any man, however towering he be, were not determined by his fellow-men, by his time, by the interests and the ideals reflecting these interests, which form part and parcel of his own life as well as of that of his fellow-men. Dr. Ehrenburg does not deny that the foreign and the constitutional policies of a commonwealth even at the present time rest, in the last resort, on popular interests.

But in former times, in the age of dynastic policy, the case was mostly

different from what it is today, and even for our modern time, for the time of national policy, it is, as a rule, hardly possible to state scientifically, *i. e.*, with approximate exactness, the influence of popular interests on the course of this policy as far as it concerns the power and form of the state.

If it comes to the question of the form and power of the state, the statesman cannot attain his ends by a thorough study of national interests, but only by an intuitive touch with the popular soul (*Volksseele*); he must feel what this popular soul needs and what would be to its detriment, even if it has not become conscious of this itself.

As is shown by the use of such undefinable terms as *Volksseele*, the writer is still in the ban of certain vague ideological (I use this term advisedly in preference to idealistic) concepts; but it must be said to his credit that these concepts do not frequently impair his judgment; especially not where he stands on the firm ground of the historical facts. These he has gathered from an enormous material, and almost entirely without any *Vorarbeiten* to fall back on. The labor of his task may be imagined from the fact that part of the vast material had to be collected from mercantile account books which some of the many state, city, and family archives searched by the writer had not even thought it worth while to catalogue or register.

In a way, Dr. Ehrenberg's books are symptomatic of the tendency of historical science in Germany. The literary feud of Karl Lamprecht *vs.* Oncken, Delbrück, and Lenz, just now being carried on in German magazines, makes this only more obvious. Dr. Ehrenberg practically belongs to the school of Lamprecht and perhaps of Janssen, who in their respective works on German history first showed appreciation of the great importance of social movements and social evolution for history. What today smacks rather of a truism, the close interrelation of economic, social, and political phenomena and processes, is being established empirically by just such investigations as those of Dr. Ehrenberg. They bear out what Marx said in his *Misère de la philosophie*: "*Il n'y a jamais de mouvement politique qui ne soit social en même temps.*"

Occasionally is the writer hampered by ideological concepts. In his introduction he speaks of the theoretical prohibition of interest by the mediæval church. This prohibition he ascribes to the fundamental thought of Christianity which considered this life only as a preparation for the future life and had a sublime disregard for all earthly possessions. But so does Christianity of today, at least so far as the first proposition is concerned. Heinrich Cunow, in his criticism in *Die*

neue Zeit, calls attention to the fact that the Islamitic, Jewish, Aztec, and other religious codes recognize the same principle of law, which is by no means specifically Christian, but the natural reflex of primitive economic conditions, of *Naturalwirtschaft* as against *Waarenwirtschaft* or *Geldwirtschaft*.

But such instances occur only where he accepts the views and statements of others. Where he stands on the ground of his own special researches, we cannot but agree with his inductions. He shows in his introduction how the period of the Renaissance was characterized by a revolution in the productive and distributive forces of society. The foundation of the present capitalistic system of finance and financial transactions was laid in this transitional age. It is true he does not dwell with sufficient clearness on the great economic changes in production which went hand in hand with and partly made possible the great financial transactions with which he deals at length. He alludes to this (vol. i. p. 50) in discussing the origin of commercial exchanges, which are a product of a higher economic civilization. As a necessary factor for their development he points out that the commodities must have become *fungibilia* as against *consumptibilia*; that is, they must have been produced with the view of creating commodities of average social, that is, of a market value; which is only possible after a certain degree of specialization of labor. For obvious reasons this was the case in the mining industries, but also in the manufacture of woolen and linen goods, especially fustians, all of which were highly developed in Germany long before England even thought of introducing German miners and fustian weavers with their skill and their methods.

A striking collateral development is shown in the growth of the army organization. War became a more and more specialized art and trade. War became a trade, so far as the individual soldier was concerned; with the motto, *point d'argent, point de Suisse*. It evolved into an industry on a large scale in the fourteenth and fifteenth centuries through the invention of firearms, and it was conducted by private capitalists, in Italy the *condottieri* and in Germany the generals of the *Landsknechte*. The recruiting and maintenance of such armies naturally involved the expenditure of relatively enormous amounts of capital, which had to be met by the princes and kings in various ways. During the entire sixteenth and seventeenth centuries there were only forty-six years without war operations on a very large scale. And then, as it is today, was *pecunia nervus belli*.

Dr. Ehrenberg shows how, gradually and by force of economic necessity, the public credit was organized into a system remotely resembling our own. So we find the rudiments of stock exchanges side by side with the more primitive money transactions. The author finds the keynote for the correct understanding of the age of the Reformation in the transformation of society from a state and system of *Naturalwirtschaft* into one of *Geldwirtschaft*—into an age in which large financial transactions make possible and influence political affairs. In this he coincides and agrees exactly with Lamprecht.

After giving a lucid statement of the history of money-lending and of money-lenders in the period of the Renaissance, especially in Italy (the centers of the mediæval money trade being Piacenza, Asti, Siena, Bologna, Florence, and Cahors in southern France), he follows up the development and influence of the great upper German, Florentine, and Dutch money powers of the sixteenth century. And here he is very shortly able to prove his proposition as to the political importance of the money powers represented by the families of the Fuggers, Welsers, Paumgartners, Tuchers, Höchstetters, the Medici, Frescobaldi, Gualterotti, Strozzi, Grimaldi, etc. Here his own material and valuable contribution to the stock of our historical knowledge begins. The bulk of his investigations concerns the family of the Fuggers of Augsburg, first because their capital and influence on politics were by far the greatest represented by any firm during that time, then also because their family archives have been excellently preserved. The author is justified in calling the age *Das Zeitalter der Fugger*. The history of this remarkable business family is closely interwoven with that of the emperors and princes of the Habsburg dynasty, and for nearly a century (from 1487 till the disastrous financial crisis of 1575) there has hardly been an important political affair in which the Fuggers had not a weighty and often decisive vote; or, as the author puts it, there hardly was a time when they did not keep "their place at the great fly wheel of history." It was a Fugger (Jakob II) who dared to remind Charles V, in a letter addressed to this emperor, of the fact that, if it had not been through his instrumentality and assistance, he never would have been elected emperor.

A few examples must suffice to show the significant part played by the great money powers as represented by the Fuggers, Welsers, the Gualterotti, and Grimaldi. The historians who treat the election of Charles V as German emperor have been more or less puzzled by the

final result of the electoral proceedings (*cf.* HÖFLER, *Karls I. Wahl zum römischen Könige*, p. 114). Without the light thrown on them by the financial part played by the Fuggers, this is quite unintelligible. Others, like Häusser, express rather strange views about it—strange in the light of Dr. Ehrenberg's researches. Häusser says in his *Period of the Reformation* (translated by G. Sturge, pp. 34–35): "It was by a true instinct that the nation shrank from the ambitious projects of the French king. . . . The French party vanished, *no one knew how* Everyone was ashamed to belong to it, and Charles was unanimously elected." And now Ehrenberg's view of the deal. Both Charles V and Francis I of France aspired to the imperial dignity. Both tried to win the German prince electors by large offers of money. Francis I was backed principally by the Florentine merchants, who possessed large money and vested interests in Lyons. Charles V gained as his financial support the money represented by the Antwerp, the upper German, and the Genoese merchants, especially the Fuggers. The whole affair was a money transaction, "which became more ignominious by the fact that the prince electors gradually increased their demands on account of the close competition of the French king for the German crown." Charles won through superior financial means. The Fuggers were interested in this deal to the extent of 543,000 florins, the Welsers and the Genoese firms to a considerably less extent. "The formal part of the election, with its display of solemn speeches, was simply a farce intended to delude the people" (vol. i. p. 103). *Tout comme chez nous.*

A more indirect, but nevertheless significant, part was played by the Fuggers, who always remained good and loyal Catholics, in the reformation of the church. The papal tax collectors had been professional money lenders during the Middle Ages, and through their agent in Rome the Fuggers had been wont to transact business since the beginning of the sixteenth century. They had also furnished Albrecht of Brandenburg the 30,000 ducats necessary to buy from the pope the archiepiscopal pallium of the archbishopric of Mayence. In order to repay this loan the archbishop, for a consideration of 10,000 ducats, acquired in 1517 from the pope the monopoly in indulgences for certain parts of Germany (Saxony, Thuringia, etc.). John Tetzel was the dealer in these indulgences, acting as the archbishop's agent. With him traveled a representative of the Fuggers provided with a key to the indulgence box, which was opened in the presence of the

agent of the Fuggers and the money turned over to the firm's agent in Leipsic. Half of the receipts were then paid to the agent in Rome to be handed over to the papal treasurer; the other half was retained by the firm as an installment on the archbishop's debt. "Of such a nature was the business that started the Reformation" (vol. i. p. 99).

In the fight for the secular supremacy between the dynasties of Habsburg and Valois it may fairly be claimed that the Fuggers, in throwing the bulk of their gold into the former's scale, saved them from being conquered by the latter. To mention just one more incident, it was with the assistance of the Fuggers that Charles V could, after the vicissitudes of the Schmalkald war, bring it to a comparatively successful close by the peace of Passau, 1552. The intimate business relations with the emperor and Spanish king Charles brought about an important change in the commercial operations of the Fuggers. Their main business had been conducted in upper Germany, Hungary, Rome, and Antwerp; in Austria and Hungary they possessed almost a monopoly of the silver, copper, and quicksilver mines. In order to reimburse his creditors, however, Charles V leased to the Fuggers the quicksilver mines of Almaden and the "maestrazgos," an income the Spanish crown derived from the possessions of secularized orders. The total indebtedness in 1563 of the Spanish line of the Habsburgers amounted to 4,445,135 florins (about ten million dollars representing a purchasing value of about 40 million dollars, present day values).

But with the Spanish business the powerful firm was at last to experience its financial Waterloo. The great monetary crises of the years 1562 and 1575, in connection with the Spanish state bankruptcy in the latter year, left only a wreck of its former greatness.

The limit of space makes it impossible to give an adequate idea of the wealth of information contained in this work. Not the least important feature and merit of the two volumes is that they open varied and promising avenues into the field of research.

Dr. Ehrenberg's position may be questioned, however, when he ascribes the downfall of the great monetary powers to personal factors alone, to inability of given individuals to cope with the new social and economic conditions. The rise, the brief period of splendor, and the fall of the Fuggers, as well as of the other great houses, is an index and concomitant of the life history of the German people in those distracted times. The political hegemony passed to France; while

the commercial and industrial leadership fell to the Dutch and English — peoples with a decided democratic turn in their national development and able to develop uniform and powerful national policies in trade and commerce.

The development of the first great international exchanges in Antwerp and Lyons, the manner of transacting business at these exchanges, the different forms of credit, the rate of interest, stock-jobbing, the importance of the mining industries, the formation and dissolution of monopolies and trusts, the origin of newspapers (as a sort of commercial stock bulletins), the financial policies of the different countries, the rise of the great fairs at Genoa and Frankfort-on-the-Main, the evolution of national debts — for all this we can only refer to the volumes themselves, which are as pleasing to the eye as the presentation and style of writing is clear and smooth. Current German scientific prose is growing more and more readable, and Dr. Ehrenberg's books are among the most readable that we have come across. The work has, moreover, the advantage (unusual in German scientific books) of a very good index, which proves itself to be very reliable. One defect, however, we cannot help pointing out, that is the lack of a comparative table of the great variety of coins mentioned. Only once (vol. i., pp. 366 ff.) is an effort made to give a clear idea of the present-day values of sixteenth century coins.

Dr. Ehrenberg's work must be accepted as one of the most valuable contributions to history in the modern acceptation of the term.

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Neue Beiträge zur Frage der Arbeitslosen-Versicherung. By DR. GEORG SCHANZ. Berlin: Carl Heymanns Verlag, 1897. 8vo. pp. viii + 216.

THIS volume, which appeared a little less than a year ago, is practically a supplement and continuation of a book published by the same author in 1895, *Zur Frage der Arbeitslosenversicherung*. His earlier book on this subject appears to have received scant attention at the hands of economic journals printed in English, though it has been much noted and discussed throughout Germany. This fact reflects the different states of public interest in this question in the various countries. In the German speaking lands, now pre-eminent in state